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Analysis and discussion featured in a full-page report this week. **FUNDAMENTALS** Big factors underlying the market, money, etc., in pithy brevity.

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In the Current Issue **MARKET OPINION** Given on request for C-44

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**TO PLAN FIGHT ON STOCK SALES TAX**

Representatives of Exchanges of Country to Confer on Congressional Measure.

**WILL MEET HERE FRIDAY**

Proposed Law Would Put Tax Also on Transactions in Commodities.

Practically all stock and commodity exchanges in the United States will be represented at the conference to be held on Friday in the governors' room of the New York Stock Exchange, when the new Congressional plan for a heavy tax on sales of stocks and commodities will be discussed and plans for fighting the passage of the measure worked out. Already a half dozen or more heads of stock exchanges throughout the country have accepted the invitation of William H. Remick, president of the local exchange, to be present at the conference. Among those who notified Mr. Remick that they would attend the meeting are Philip W. Wren, president of the Boston Stock Exchange; John L. Barbour, president of the Pittsburgh Stock Exchange; E. E. Thompson, president of the Washington Stock Exchange; W. E. Hutton, president of the Cincinnati Stock Exchange; Walter Munro, of the Buffalo Chamber of Commerce; W. E. Corn, president of the Hartford Stock Exchange; and the president of the St. Louis Stock Exchange, R. L. Hargis, acting president of the Chicago Board of Trade, has wired Mr. Remick that he would be unable to attend the conference because of important conferences to be held in Chicago on Friday. He indicated that the grain markets were taking up the tax proposals of their own volition.

What form the plans of the stock exchange heads will take in combating the effort to put through the proposed legislation, which would put a tax of 2 cents on every \$10 of stock sales, is not known. It is certain, however, that every effort to have the measure killed will be made, because it is declared by those who have given the matter serious consideration that the imposition of a tax of that character will kill speculation and consequently securities markets. The present open market for securities will be eliminated entirely by such a tax, it is declared, and not only will speculators be forced to discontinue their trading in securities but investors will turn to bonds, mortgages, etc., because, with the open market for stocks removed, they will be inclined to invest their capital in more liquid securities.

Another important point made yesterday was the effect of such legislation on big wire houses. Those houses, operating many long distance telegraph wires at a heavy annual charge, are being forced to discontinue that kind of business because of the certain decline in the volume of transactions, which will have the effect of cutting the West and South off from the Eastern securities market and in turn will make impossible for new or going industrial enterprises to distribute their securities in any satisfactory manner. Going further along that line, it was pointed out that such inability to sell securities by industrial corporations would make almost impossible the payment of corporate bank loans, which, as the next link in the chain, would strike at the Federal Reserve system through its rediscounts.

Mr. Remick gave out yesterday a statement setting forth the many ills which the passage of the tax measure would bring down on Wall Street and the financial district but on the whole industrial and financial structure of the nation. He said:

"The solvency of the world's business undertakings depends upon the world's supply of working capital being always abundant to finance trade and commerce. This working capital consists of two items: first, its bank reserves of money loaned on call; and secondly, its securities, which ordinarily are a kind of cash carried temporarily in invested form. The total amount of the world's working capital can only be increased through the slow and tedious processes of annual savings, and the creation of new wealth—as for example, through new crops, etc. In consequence it remains practically constant from year to year.

"This fund of working capital is the very life blood of all trade and all industry. Anything which diminishes it will tend to dislocate, not only the financial, but the entire commercial structure of the nation. In no more vital spot could a blow be delivered against the supply of working capital than in the stock exchanges of the country, for it is their function to maintain a constant market for securities. It is only through the stock exchanges that securities— which constitute a secondary money market—can be converted into cash at a moment's notice, when the needs and requirements of business dictate such a course.

"Over \$20,000,000,000 worth of Liberty bonds have been issued in this country in the last few years. These bonds have absorbed the cash of both individuals and corporations. Many of these bonds have been converted into cash through the operation of the stock exchanges. It could accurately be said that over \$20,000,000,000 in cash had been deducted from the supply of working capital which is needed to carry on the nation's business.

"Apart from Liberty bonds there is approximately as much more of our money tied up in other securities of our Government and of private corporations. Secretary McAdoo has estimated that there were 17,000,000 of Liberty bondholders. Before the war it was commonly estimated that there were 2,500,000 of investors in private corporation bonds. Consequently about 30,000,000 of our people altogether have put their cash savings into Government and private corporation securities in the belief that they could at any time convert their securities into cash both for their own individual needs and for the business needs of the country. This enormous sum of money is therefore absolutely and solely dependent upon the maintenance of a free and open market for securities, without limit to its operations, such as is furnished only in the stock exchanges of the country.

"With one blow the House Ways and Means Committee now proposes a tax on the transfer—that is to say, the purchase and sale—of these very securities which constitute the source of secondary money and working capital in the United States.

"Such a proposal, if enacted into law, would destroy any incentive for trading in these securities and hence would destroy the market which has always existed for them. In its primary effects it would thus rob the millions of holders of Liberty bonds of converting any of their securities into cash upon occasion, and as a consequence it would, in its secondary effect, drive up the prices of these securities to corporations who from time to time have financed their business needs by borrowing money from the public through the sale of their obligations.

**KENNECOTT COPPER SURPLUS LOWERED**

Report Shows Sixteen Cents a Share in 1919, Against \$2.50 in 1918.

**LABOR TROUBLES BLAMED**

Operating Revenue Shows Drop of Close to \$9,500,000 in Year.

The annual report of the Kennecott Copper Corporation for 1919, made public yesterday, shows a surplus, after all charges and taxes, of \$446,871, equivalent to 16 cents a share on its outstanding common stock of no par value. That amount contrasts sharply with a surplus of \$2,500,000, or \$2.50 a share, earned in 1918. Labor difficulties and a considerably curtailed demand for copper are given in the report as the chief reasons for the very poor showing made during the year.

Operating revenue for 1919, the report shows, totaled but \$12,627,522, against \$15,059,924 in 1918. Notwithstanding that decline of about 16 percent in revenues, the drop in operating expenses was only about \$2,600,000, those charges aggregating for 1919 \$3,091,215, against \$5,060,790 in 1918. Thus net revenue from operations was only \$2,541,107 in 1919, against \$2,399,126 in 1918. But another big cut in the company's receipts was made in other income, which declined from \$2,382,138 in 1918 to \$1,397,274 last year, making total income \$2,382,138, against \$1,472,727. Interest charges, taxes, etc., totaled \$820,364, against \$1,048,263; depreciation was charged off at \$282,453, against \$281,212; depletion at \$1,287,793, against \$6,255,727, making the surplus for the year \$446,871, against \$2,500,000. Dividends amounting to \$2,787,972 were paid in 1919. Consequently the net result of the year's operations was a final deficit of \$2,340,202, against a surplus of \$1,402,916 in 1918. The total profit and loss surplus on December 31, 1919, was \$7,511,404.

**Operations Much Curtailed.**

Very little ore was mined at some of the company's mines during the year as a result of greatly curtailed operations. On that point the report says: "Due to curtailed operations obtaining during a great part of the year, the ore mined at the corporation's properties at Kennecott and Lakeview amounted to but 426,768. Production for shipment to the smelter totaled 42,945 tons, containing 3,383,100 pounds of copper. Metallurgical efficiency at the Kennecott plant was 94.38 per cent, and at the Lakeview plant 80.40 per cent. The average percentage being 87.89 per cent, or a loss in treatment of 12.11 per cent of the copper content of the ore mined.

"Kennecott ores mined totaled 145,763 tons amounting 5.44 per cent, copper. From this there resulted 30,123 tons of concentrates assaying 33.53 per cent, copper, this giving a recovery of 55.94 per cent, against 64.19 per cent, in 1918. The percentage of the total copper occurring in the concentrates was 37.4, compared with 37.8 in the previous year. The per ton cost of milling was reduced from an average of 80 cents in 1918 to 31 cents in 1919.

"In addition to Kennecott ores the Kennecott mill also treated 33,512 tons of ore for account of Mother Lode Consolidation Mines Company. The total recovery of copper in all ores treated, milling and concentrating combined, was 54.96 per cent, this figure exceeding that of 1918 by 2.55 per cent.

**Had Shortage of Miners.**

"The labor situation at Kennecott during 1919 was even further below standard than during 1918. From April throughout the remaining part of 1919 there was a general shortage of labor, and particularly miners. The turnover in labor was 256 per cent, and the average length of employment about 5.3 months, making it difficult to maintain an average efficiency of labor. At Lakeview labor conditions during the year were also far from standard, but improved somewhat over those prevailing during 1918.

"There was received at the smelter during the year, after allowing for better deductions, \$3,577,413 pounds of deliverable refined copper and 2,755,463 ounces of returnable silver; 26,755,463 pounds of copper and 520,659.99 ounces of silver were settled for during the year and taken into profit and loss. Manufacturing costs of production, due principally to curtailment in operations, higher labor and material costs and increase in transcontinental freight charges were approximately one-half a cent a pound of copper delivered greater in 1919 than during the previous year.

"Due to the lack of demand for copper, operations at the mines were curtailed during the first part of the year to approximately 30 per cent of normal. Market conditions bettered production was gradually increased, but it was not until the last of the year that the output was again on a normal basis."

**New Jersey Zinc Income Rises.**

The quarterly report of the New Jersey Zinc Company, covering operations for the first three months of 1920, shows net income, after charges and Federal taxes, of \$1,628,127, or \$5.59 a share on an outstanding capital stock, against \$1,764,476 a share earned in the last preceding quarter and with \$6.20 a share earned in the corresponding quarter of 1919. Total income for the quarter was \$1,712,127, against \$2,457,437 in the quarter of 1919. Interest and reserve charges were unchanged at \$110,000. Federal taxes of \$430,000 were set aside, against \$570,000, making net income for the quarter \$2,628,127. Dividends were unchanged at \$1,400,000, leaving a surplus for the quarter of \$1,228,127.

**Magna Oil Income Report.**

The Magna Oil and Refining Company reports for the quarter ended on March 31 gross income, \$599,567; expenses, \$149,340; net income, \$450,227; reserves for depreciation and depletion, \$119,249; final surplus, \$330,978. The surplus is equivalent to 5 cents on its outstanding capital stock for the quarter, or at the annual rate of 24 per cent. The report states that the company has 119 producing wells in Texas, Oklahoma, Louisiana and Kansas, which produced 190,244 barrels of oil during the quarter.

**Cannard Earnings Advance.**

The Cannard Steamship Company reports for the year ended on December 31, 1919, gross earnings of \$2,801,727, against \$2,801,655 in 1918, \$3,939,917 in 1917, and \$6,820,251 in 1916. Its net earnings were \$1,724,920, against \$1,207,125 in 1918. The surplus for 1919 after dividends was \$589,507, against \$173,237 in 1918.

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**Customs Receipts \$794,435.37.**  
Receipts for duties at the Custom House yesterday were \$794,435.37, of which \$116,032.12 was for merchandise withdrawn from bonded warehouses and \$678,412.25 for recent importations.

**Leather Company Surplus Off.**

The American Hide and Leather Company's report for the quarter ended on March 31, issued yesterday, shows a surplus of \$238,135, after charges and Federal taxes, equal to \$1.43 a share on the \$13,000,000 of its preferred stock. In the last preceding quarter \$17.1 a share was earned, and in the corresponding quarter a year ago the earnings were equal to \$1.73 a share. For nine months ended on March 31 the surplus, after charges and Federal taxes, was \$1,156,484, equal to \$14.72 a share, against \$12.28 a share in the corresponding period of 1919.

**Honor Pierre Jay's Birthday.**

Pierre Jay, chairman of the board of the Federal Reserve Bank, had just finished yesterday a conversation with David Houston, Secretary of the Treasury, and W. P. O. Harding, governor of the Federal Reserve Board, when he was summoned by telephone to attend an "important" officers' meeting regarding office equipment. To his surprise the officers presented him with a silver inkstand in celebration of his fiftieth birthday. At the offices of the Federal Reserve Bank it was stated that the visit of the Government officials had no charges and Federal taxes, was \$1,156,484, equal to \$14.72 a share, against \$12.28 a share in the corresponding period of 1919.

**NEW YORK STOCK EXCHANGE PRICES.**

62 1/2	5	2500	Pan Marquette	24 1/2	25 1/2	25	+	2
62 1/2	5	300	Pan Marquette prior pf.	62	62	62	33	+
38	8	200	Philadelphia Co.	38	38	38	38	+
17 1/2	12500	Pierces Arrow Motor	14	16 1/2	17 1/2	17 1/2	+	2
85	1300	Pierces Oil Corp.	86 1/2	86 1/2	86 1/2	86 1/2	+	1
60	80	300	Pierces Oil Corp. pf.	59 1/2	59	59 1/2	59	+
30 1/2	1900	Pittsburgh & West Va.	30	31	30	31	+	1
110 1/2	1300	Pressed Steel Car	109 1/2	109 1/2	109 1/2	109 1/2	+	1
106 1/2	300	Pullman Co.	106 1/2	106 1/2	106 1/2	106 1/2	+	1
93 1/2	8	4100	Punta Alegre Sugar	103 1/2	103	103 1/2	103 1/2	+
17 1/2	100	Railway Steel Spring	17	17 1/2	17	17 1/2	+	1
85 1/4	100	Ray Consol Corp.	85 1/4	85 1/4	85 1/4	85 1/4	+	1
42	2	83100	Reading	42	42	42	42	+
73	2	400	Reading 2d pf.	73	73	73	73	+
91 1/2	2	700	Remington Typewriter	91 1/2	91 1/2	91 1/2	91 1/2	+
94 1/2	2	45000	Republic Steel	94 1/2	94 1/2	94 1/2	94 1/2	+
94 1/2	2	24000	Republic Iron & Steel	94 1/2	94 1/2	94 1/2	94 1/2	+
96 7	2	200	Republic Iron & Steel pf.	96	96	96	96	+
22	2	100	Robert Leach	21	21	21	21	+
113 1/2	2	13000	Royal Dutch Co. N. Y.	113 1/2	113 1/2	113 1/2	113 1/2	+
21 1/2	2	2100	Royal Dutch & Shell	21 1/2	21 1/2	21 1/2	21 1/2	+
12 1/2	2	400	St. Louis Southwestern	12 1/2	12 1/2	12 1/2	12 1/2	+
24	2	100	St. Louis Southwestern pf.	23	23	23	23	+
13 1/2	2	1200	Saxon Motor	13 1/2	13 1/2	13 1/2	13 1/2	+
215	8	200	Sears Roebuck Co.	215	215	215	215	+
63 1/2	2	200	Shaw-Walker	63 1/2	63 1/2	63 1/2	63 1/2	+
78 1/2	74 1/2	5200	Shell Trans & Trading	78 1/2	78 1/2	78 1/2	78 1/2	+
36 1/2	2	20400	Shirley Consol Oil	36 1/2	36 1/2	36 1/2	36 1/2	+
64 1/2	6	200	Sloss-Sheffield S. & L.	64 1/2	64 1/2	64 1/2	64 1/2	+
95 1/2	6	12500	Southern Pacific	95 1/2	95 1/2	95 1/2	95 1/2	+
21 1/2	2	2300	Southern Railway	21 1/2	21 1/2	21 1/2	21 1/2	+
53 1/2	5	400	Southern Railway pf.	53 1/2	53 1/2	53 1/2	53 1/2	+
692	20	145	Standard Oil of N. J.	683	692	683	692	+
592	20	12	Standard Oil of N. J. pf.	592	592	592	592	+
104 1/2	7	2200	Standard Oil of N. J. pf.	103 1/2	104 1/2	103 1/2	104 1/2	+
104 1/2	2	1700	Stromberg Carburetor	104 1/2	104 1/2	104 1/2	104 1/2	+
106 1/2	7	45000	Stromberg Carburetor	106 1/2	106 1/2	106 1/2	106 1/2	+
48	6	600	Superior Steel Corp.	47 1/2	48	47 1/2	48	+
104 1/2	3 1/2	1500	Texas Copper & Chem.	104 1/2	104 1/2	104 1/2	104 1/2	+
104 1/2	3 1/2	13100	Texas Copper & Chem.	104 1/2	104 1/2	104 1/2	104 1/2	+
37 1/2	2	5700	Texas & Pacific	37 1/2	37 1/2	37 1/2	37 1/2	+
33 1/2	2	35	Texas Pacific Land Trust	33 1/2	33 1/2	33 1/2	33 1/2	+
63 1/2	6	6100	Tobacco Products	63 1/2	63 1/2	63 1/2	63 1/2	+
115 1/2	5	200	Transcontinental	115 1/2	115 1/2	115 1/2	115 1/2	+
51 1/2	5	200	Transcon & Wm Steel	51 1/2	51 1/2	51 1/2	51 1/2	+
115 1/2	8	100	Union Bag & Paper	115 1/2	115 1/2	115 1/2	115 1/2	+
29 1/2	30 1/2	1100	Union Oil	29 1/2	29 1/2	29 1/2	29 1/2	+
117 1/2	10	2200	Union Pacific	116 1/2	117 1/2	116 1/2	117 1/2	+
63 1/2	4	100	Union Pacific	63 1/2	63 1/2	63 1/2	63 1/2	+
46 1/2	4	200	United Alloy Steel	44 1/2	46 1/2	44 1/2	46 1/2	+
132	8	100	United Drug Co.	132	132	132	132	+
300	12	100	United Fruit Company	300	300	300	300	+
22	2	1200	United Fruit Investment pf.	22	22	22	22	+
64 1/2	6	13100	United Fruit	63 1/2	64 1/2	63 1/2	64 1/2	+
18	2	300	U. S. C. Pipe & Fdy.	17 1/2	18	17 1/2	18	+
64 1/2	6	1400	U. S. Food Prod. Corp.	62 1/2	64 1/2	62 1/2	64 1/2	+
84 1/2	8	6900	U. S. Ind. Alcohol	84	84 1/2	84	84 1/2	+
99 1/2	8	200	U. S. Ind. Alcohol Imp.	99 1/2	99 1/2	99 1/2	99 1/2	+
99 1/2	8	7200	U. S. Rubber	99 1/2	99 1/2	99 1/2	99 1/2	+
109	8	100	U. S. Rubber let. pf.	108	108	108	108	+
62 1/2	45 1/2	100	U. S. Smelting, R. & M.	62 1/2	62 1/2	62 1/2	62 1/2	+
62 1/2	45 1/2	100	U. S. Smelting, R. & M. pf.	45	45	45	45	+
107 1/2	107 1/2	6200	U. S. Steel	107 1/2	107 1/2	107 1/2	107 1/2	+
107 1/2	7	200	U. S. Steel pf.	107 1/2	107 1/2	107 1/2	107 1/2	+
69	6	1500	Utah Copper	67 1/2	69	67 1/2	69	+
81 1/2	6	43100	Vanadium Corp.	78 1/2	81 1/2	78 1/2	81 1/2	+
105	8	100	Va-Carolina Chem. pf.	104	104	104	104	+
200	2	300	Wabash	200	200	200	200	+
14	2	1405	Wabash pf. A.	23 1/2	24	23 1/2	24	+
14	2	100	Wabash pf. B.	16	16	16	16	+
54 1/2	10	300	Wells Fargo Express	53	54	53	54	+
10	10	1400	Western Maryland	9 1/2	9 1/2	9 1/2	9 1/2	+
85	7	200	Western Union Tel.	85	85	85	85	+
111 1/2	7	200	Westinghouse Air Brake	112	112	111 1/2	111 1/2	+
49	4	800	Westinghouse E. & M.	49	49	49	49	+
10 1/2	10 1/2	800	Wheeling & Lake Erie	9 1/2	10 1/2	9 1/2	10 1/2	+
10 1/2	10 1/2	100	Wheeling & Lake Erie pf.	9 1/2	9 1/2	9 1/2	9 1/2	+
82	7	10600	Willam Overland	77 1/2	82	77 1/2	82	+
82	7	200	Willam Overland pf.	80	81	80	81	+
67	5	600	Wilson & Co.	64 1/2	67	64 1/2	67	+
88 1/2	8	100	Woolworth & Co.	88 1/2	88 1/2	88 1/2	88 1/2	+
88 1/2	8	100	Woolworth & Co. pf.	88 1/2	88 1/2	88 1/2	88 1/2	+